



United States  
Department of  
Agriculture

Farmers  
Home  
Administration

Washington  
D.C.  
20250

FmHA AN No. 1919 (1951)

May 9, 1989

SUBJECT: Determining the Effective Date For  
Restructuring Farmer Programs Loans Processed  
Under FmHA Instruction 1951-S

TO: State Directors, District Directors and County  
Supervisors

PURPOSE/INTENDED OUTCOME:

The purpose of this Administrative Notice (AN) is to assist field offices in determining the interest rate and effective closing date on restructured Farmer Programs (FP) loans. The outcome is to ensure that FP loan servicing actions are consistent and closed properly.

COMPARISON WITH PREVIOUS AN:

This AN replaces AN No. 1883 (1951) dated March 16, 1989. Items 1 and 3 have been revised.

IMPLEMENTATION RESPONSIBILITIES:

Farmers Home Administration (FmHA) Farmer Programs restructured loans approved by the State Director will be closed as follows:

1. On the date the borrower's restructured loans are closed, the interest rate to be listed on the Promissory Note will be the lowest of (1) the rate of interest actually shown on the original note (2) the published rate on the date DALR\$ was run, or (3) the current interest rate in effect as set forth in FmHA Instruction 440.1. (Current rate is the published rate on the date the Promissory Note is signed). The original interest rate for limited resource loans is the initial interest rate of the limited resource loan with no automatic increase.

EXPIRATION DATE: December 31, 1989

FILING INSTRUCTIONS:  
Preceding FmHA  
Instruction 1951-S



Farmers Home Administration is an Equal Opportunity Lender.  
Complaints of discrimination should be sent to:  
Secretary of Agriculture, Washington, D.C. 20250

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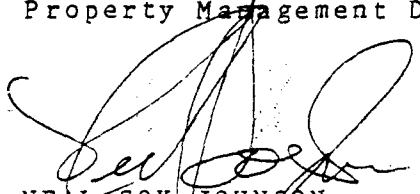
2. If the borrower's loans cannot be closed on the date projected in DALR\$, the DALR\$ program will be run again to reflect actual calculations as of the closing date due to interest accrual. At the time of DALR\$ approval, the State Director must add the following statement on the DALR\$ printout to satisfy any additional write-down that may occur from the time of approval to closing. This statement is only necessary where a write-down will be authorized. Such cases will not have to be resubmitted to the State Director for approval of additional write-down before closing.

"Approval of this document includes additional write-down that may accumulate within 90 days from the date of approval due to unforeseen delays in closing."

3. In cases where the borrower was previously eligible for write-down and rerunning the DALR\$ program changes the borrower's status to be ineligible because of additional interest accrual, the borrower will be given the option to accept the revised offer. Borrowers who do not wish to close based on the revised offer will be sent Attachments 5 and 6 of Exhibit A of FmHA Instruction 1951-S where they may be considered for buyout if determined eligible.

4. Restructured loans with write-downs approved by the State Director which have not been closed as of the date of this AN will not have to be resubmitted to the State Director for approval provided 90 days has not expired from the date of approval. Restructured loans closed prior to the date of this AN will not have to be reconsidered.

For additional clarification concerning this AN, please contact Johnny Toles of Farmer Programs Loan Servicing and Property Management Division at FTS 447-6293.

  
NEAL SOX JOHNSON  
Acting Administrator

Sent by ASD 10:00 Am to States: 12:00 Pm to Districts: 2:00 Pm  
to Counties; on 5/10/89 by time option telemail. State  
Directors will immediately distribute to Farm Programs  
Chiefs and other appropriate personnel.